

SESSION FIVE: MARKETING & PRICING



Municipal Debt Essentials – Day 2 *Accessing the Market*

March 14, 2012

Kellogg West Conference Center, Pomona, CA

CDIAC

CALIFORNIA
DEBT AND
INVESTMENT
ADVISORY
COMMISSION

Outline of presentation by:

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SESSION OBJECTIVE

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1. Demystify the bond pricing process
2. Learn to evaluate price execution on your bond sale
3. Develop techniques to improve your future results
4. Acquire some useful tools and tips

This session isn't designed to make you a bond "expert," nor will it focus on individual bond issues.

It will offer practical advice to use in negotiated sales to help you get started toward better results.

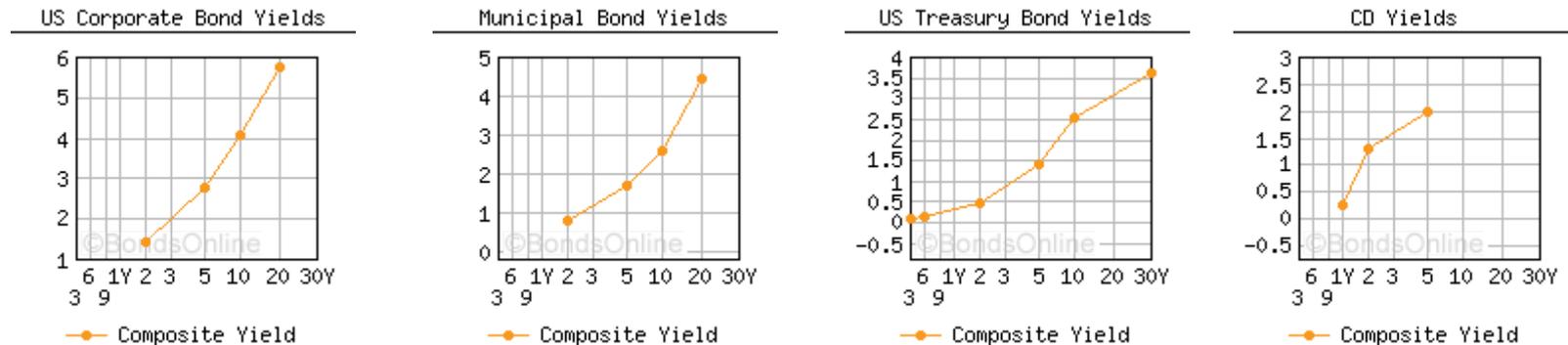


ISSUANCE PROCESS – REVIEW



UNDERSTANDING INTEREST RATES

What is a “yield curve”? It’s a representation of interest rates over time:



What a yield curve can tell you; and, what it cannot

The “shape” of the yield curve is important. By analyzing the shape of the curve, one can estimate what the market’s expectations are for future conditions.

A yield curve normally has an upward sloping shape – called a “positive” or “normal” yield curve. In a normal yield curve, shorter-term yields are lower than longer-term yields, with yields generally increasing as time to maturity increases. Yields are higher on longer maturities because these bonds have more volatile prices for a given change in interest rates.

In the “Tool Kit” there are several resources that you can use to develop a greater understanding of rates using yield curves compiled by others.

PRICES & YIELDS MOVE INVERSELY

Once interest rates are established by the issuer, they remain constant – usually for the life of the loan; what changes are bond values

The higher the yield (for a fixed interest rate) the lower the price (value) for that bond, and vice-versa

Buyers seek to protect themselves from future adverse changes in the price (value) of their investments

Benchmarking is critically important in municipal pricing – the market establishes price (and value) by “relational” means – ***“What should the yield on this bond be compared to the available yield on something else?”***

There are some useful benchmarks you can use for comparison:



General

Bond Buyer Indices (11, 20, RBI)

U.S. Treasuries (“constant maturity”)

S&P Composites

Specific

Municipal Market Advisors (“MMA”)

Delphis Hanover (by credit quality)

Issues comparable to yours

We will use the “Tool Kit” for examples of the specific benchmarks.



FACTORS INFLUENCING YIELDS

Fundamental

- ✓ The overall state of the economy
- ✓ Inflation – especially expectations
- ✓ Fiscal/monetary policy (the “Fed”)

Sets overall tone and direction

Technical

- ✓ Supply and demand
- ✓ Similarity to other issues
- ✓ Individual features of the offering

Sets relationships to the benchmarks

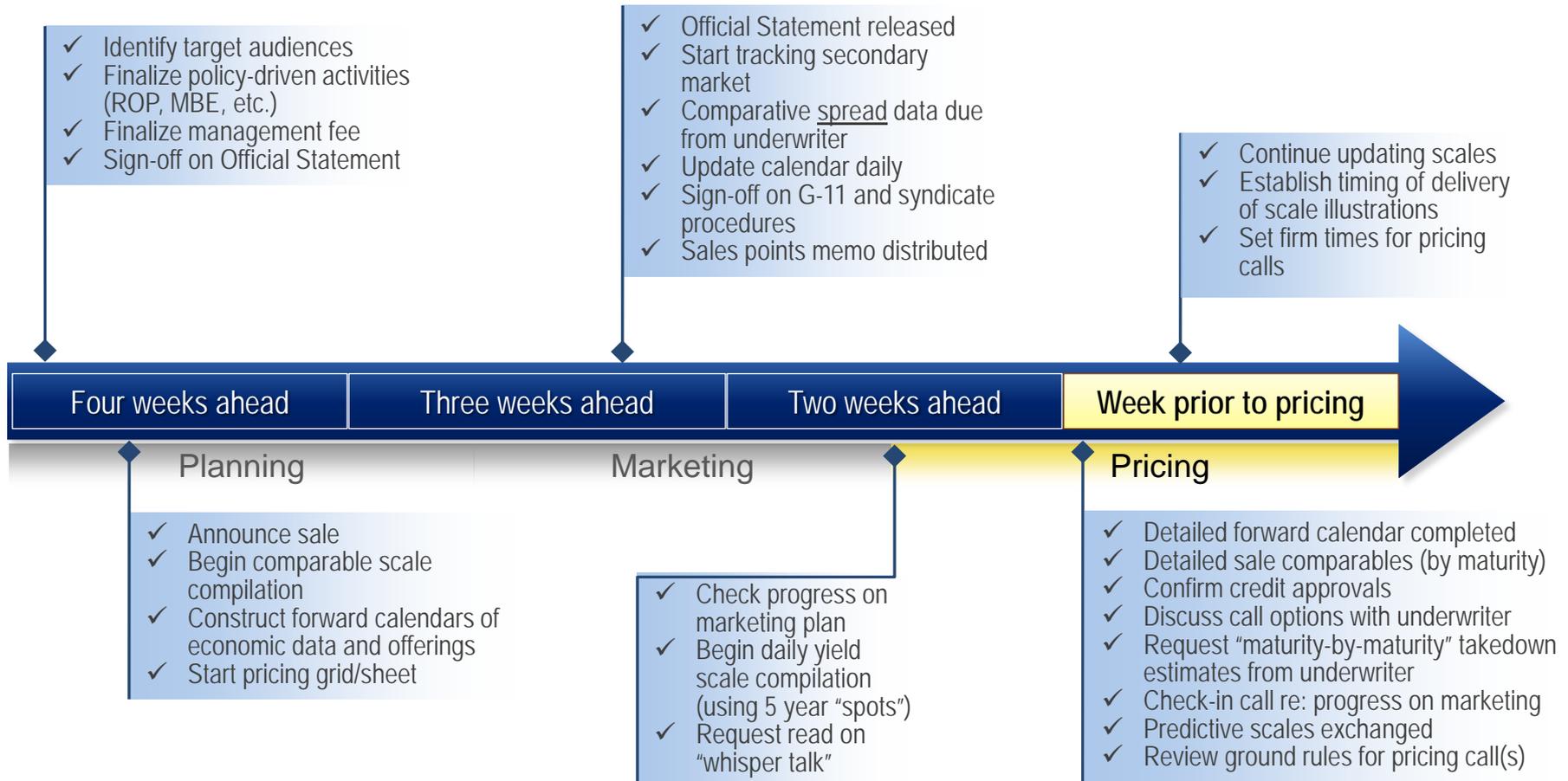


Start the pricing exercise several weeks ahead of time by creating a pricing workbook, chart, or table of factors that will affect your interest rates. Then, each day, plot the direction of influence on prices & yields.

Consult the benchmarks weekly at first, then daily to develop a “grid” of where you think the yields will be established on your issue

This is an excellent visualization tool to understand market sentiment and will strengthen your negotiating skills.

EXAMPLE OF A PRICING TIMELINE



TARGETED INVESTOR TEMPLATE

Tier I	Tier II	Tier III
<ol style="list-style-type: none"> 1. Trades over \$1.0 million 2. Very price sensitive 3. Active traders 4. Covered by every Wall Street firm <p>Examples OF Tier I investors:</p> <ul style="list-style-type: none"> ✓ Large pension funds ✓ Insurance companies ✓ Major money managers ✓ Major mutual funds ✓ Common trust funds 	<ol style="list-style-type: none"> 1. Trades over \$250k 2. Sophisticated, but less price sensitive than Tier I investors 3. Usually not active traders 4. Covered by many firms <p>Examples of Tier II investors:</p> <ul style="list-style-type: none"> ✓ Small insurance companies ✓ Corporations ✓ Small pension funds ✓ Regional money managers ✓ Regional trust funds and/or directed accounts 	<ol style="list-style-type: none"> 1. Trades less than \$50k 2. Least price sensitive of investors – may include active retail accounts 3. Buy and hold accounts 4. Very rarely trade 5. Quality conscious; name driven 6. Coverage often omitted by many firms <p>Examples of Tier III investors:</p> <ul style="list-style-type: none"> ✓ Small corporations ✓ Small bank trust accounts ✓ High net worth individuals ✓ Locally-directed individuals

INVESTOR INTEREST BY MATURITY (AN EXAMPLE)



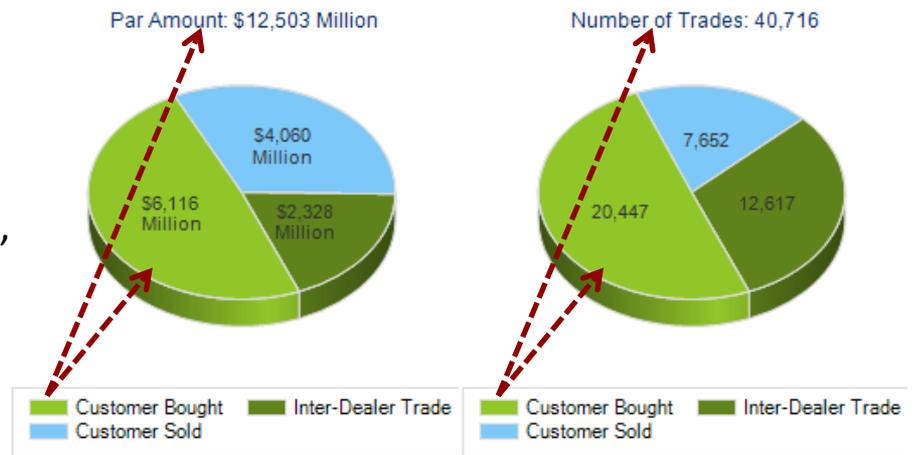
WHAT IS “MR. MARKET” SAYING?

Begin with a basic understanding of what the overall markets are doing, then look at your own issues; follow with issues comparable to yours.

You can search for this data on the Municipal Securities Rulemaking Board’s “EMMA” web site, found at: www.emma.msrb.org.

EMMA can furnish valuable insight into the level of customer activity and buying in the market.

This data shows the average number of trades and the daily volume for the six-week period July 12, 2010 through August 20, 2010.



IN THIS DATA SET, CUSTOMER “BUYS” WERE HALF OF THE MARKET DURING THIS PERIOD; BUYS OUTPACED SELLS BY CUSTOMERS ALMOST 3 TO 1 BY NUMBER AND 1.5 TO 1 BY AMOUNT DURING THE SAME PERIOD.

THIS IS A PROBABLE INDICATION OF A “RISING PRICE/FALLING YIELD” MARKET.



BASIC TRUTHS ABOUT BUYERS

Investors are not “generic”



Institutional buyers:

- ✓ *buy in large size*
- ✓ *make decisions quickly*
- ✓ *very price sensitive*

Retail buyers:

- ✓ *buy in smaller size*
- ✓ *take longer to make decisions*
- ✓ *not as price sensitive*

Accessing them is not as easy as it looks . . .



REVIEW YOUR OWN BONDS

The table below displays trades larger than \$100,000 of a City of Los Angeles General Obligation Bond, issued August 2009, maturing September 1, 2023, during the period August 13, 2010 through August 20, 2010.

(Caution: Smaller trades may be “outliers” and often do not represent market yields.)

Then, look at trading levels for your outstanding bonds, if they are similar in attributes to the proposed bond issue. (This part is easier if you have the “CUSIP” number for the existing bonds; you’ll find that on the official statement for that issue.)

Investors bought bonds at yields between 3.213% and 3.437% during a single 24-hour period.

Notice that bonds traded at a variety of yields; but, it appears that 3.30% is the most recent “proven” level.

Trade date & time	Trade Price	Yield	Par Amount	Type of Trade
08/20/2010 : 12:29 PM	102.307		250,000	Inter-dealer Trade
08/20/2010 : 12:27 PM	102.237		250,000	Inter-dealer Trade
08/20/2010 : 12:04 PM	103.484	3.30	200,000	Customer bought
08/20/2010 : 09:15 AM	102.307		200,000	Inter-dealer Trade
08/20/2010 : 09:13 AM	102.237		200,000	Inter-dealer Trade
08/19/2010 : 02:38 PM	102.247		100,000	Inter-dealer Trade
08/19/2010 : 02:38 PM	102.407	3.437	100,000	Customer bought
08/19/2010 : 02:38 PM	102.207		100,000	Inter-dealer Trade
08/19/2010 : 02:38 PM	102.307		100,000	Inter-dealer Trade
08/19/2010 : 01:56 PM	104.175	3.213	250,000	Customer bought
08/19/2010 : 01:56 PM	102.300		250,000	Inter-dealer Trade
08/19/2010 : 01:25 PM	103.485	3.30	100,000	Customer bought
08/19/2010 : 01:18 PM	102.367		100,000	Inter-dealer Trade
08/19/2010 : 01:16 PM	102.307		100,000	Inter-dealer Trade
08/18/2010 : 03:45 PM	102.301		100,000	Inter-dealer Trade
08/18/2010 : 03:45 PM	104.176	3.213	100,000	Customer bought
08/18/2010 : 11:55 AM	103.657	3.278	100,000	Customer bought
08/18/2010 : 11:55 AM	102.301		100,000	Inter-dealer Trade
08/16/2010 : 11:47 AM	102.805	3.387	300,000	Customer bought
08/16/2010 : 11:47 AM	102.305		300,000	Inter-dealer Trade



COMPARABLE ISSUES

The next step is to examine issues scheduled for sale that are “comparable” to the one you are selling.

Let’s assume you are selling \$10 million, lease revenue bonds for a new city hall, with a projected rating of “A.”

289,335,000	Sonoma County	Pension Obligation Bonds, Series 2010A
193,000,000	Los Angeles, City of	Senior lien wastewater revenue bonds (Moody’s: Aa2) Taxable “Build America Bonds”
100,000,000	Really Big State Bonds	General Obligations (Moody’s: Aa2; S&P: AA; Fitch: AA)
136,000,000	Los Angeles, City of	Subordinate lien wastewater revenue bonds (Moody’s: Aa3; S&P: AA)
12,000,000	Likebonds	2010 Court House Renovation COPs (Moody’s: A2; S&P: A; Fitch: A+)
8,000,000	Southern Humboldt USD	General obligation bonds (S&P: A+)
5,780,000	San Diego USD	School Building Bonds, Series 2010
3,000,000	Otherbonds	Golf Course Revenue Bonds (rating forthcoming)



Look for issues that are similar in size, rating and purpose. Also look for similar geography, frequency of issue, demographic similarities, etc.



WHAT TO LOOK FOR IN THE PRICING

There are numerous prices that will be used:

1. Retail offering price:

- ✓ Price paid to the broker/dealer by the final investor

2. Primary (bid) price:

- ✓ The price paid to you (the issuer) by the wholesaler (the underwriter)

3. Concession price:

- ✓ Price paid by a broker/dealer who is not the originating underwriter

The critical one to focus on is the retail offering price (this is presented as the “preliminary scale.”)

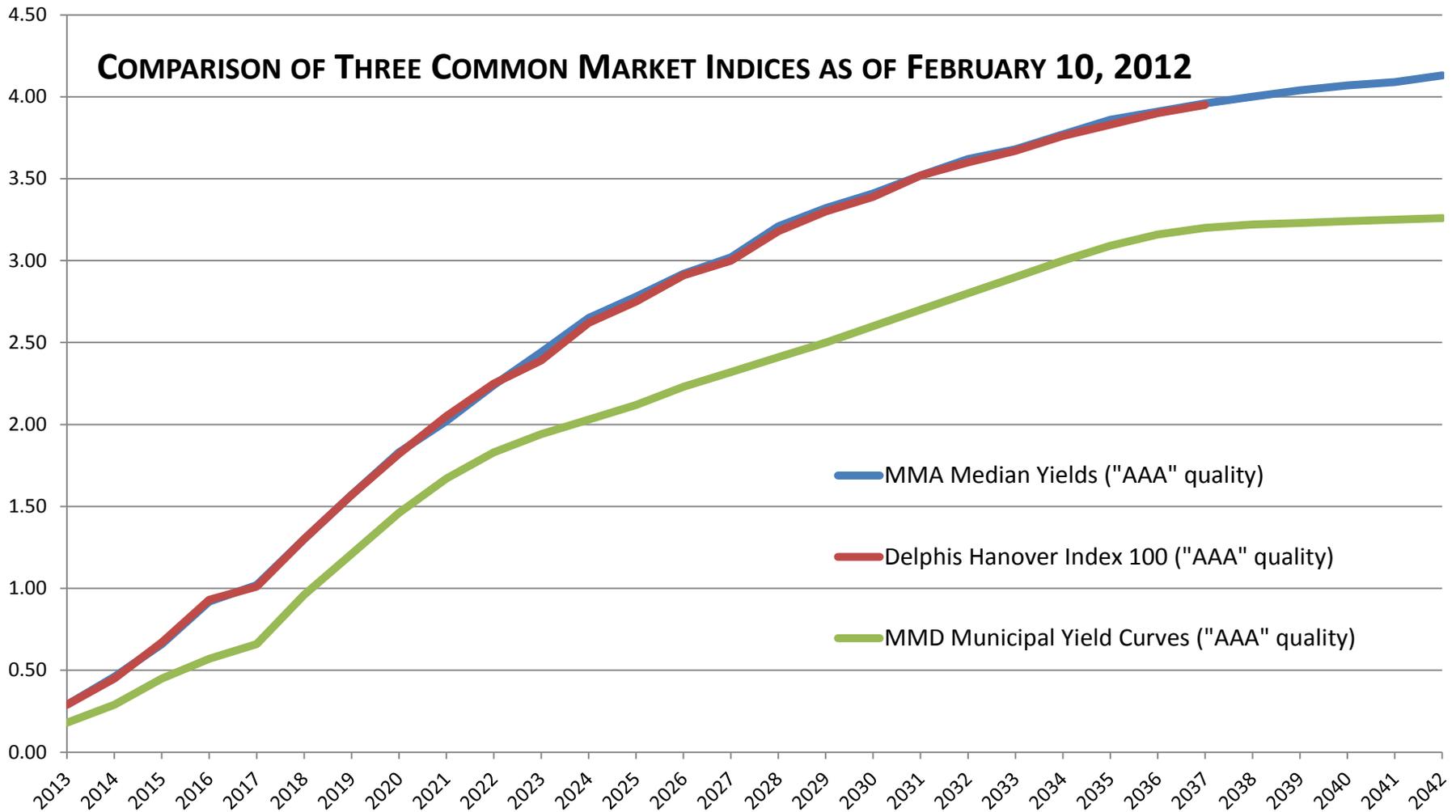
That’s the foundation for successful negotiation. If you know what the investor will pay, then it’s much easier to ascertain if the underwriter has delivered the “best” sale or is relying on other “middle-men” to do so.



YOUR BASIC “TOOL KIT”



NOT ALL BENCHMARKS ARE EQUAL!



THE PRELIMINARY SCALE

Here is the most recent illustration of rates from your underwriter, along with three “comparable” issues identified by the underwriter’s desk.



	\$10,000,000	\$3,000,000	\$100,000,000	\$12,000,000
ISSUE:	“NEWBONDS”	“OTHERBONDS”	“REALLY BIG STATE BONDS”	“LIKEBONDS”
MATURITY	CITY HALL LEASE REVS	GOLF COURSE COP	GEN'L OBLIGATION	COURT HOUSE
2011	1.05%	1.65%	0.60%	
2012	1.30%	1.95%	0.75%	
2013	1.65%	2.25%	1.05%	
2014	1.85%	2.50%	1.30%	
2015	2.25%	2.85%	1.65%	2.15%
2016	2.65%	3.35%	2.05%	2.60%
2017	3.00%	3.65%	2.30%	2.90%
2018	3.30%	3.85%	2.50%	3.20%
2019	3.60%	4.05%	2.75%	3.50%
2020	3.90%	4.35%	3.00%	3.75%
Rating:	A3/A-/NR	NR/BBB+/BBB	Aa2/AA/AA	A2/A/A+
Spread:	\$15/1,000	\$35/1,000	\$2/1,000	\$18/1,000



ORDER PERIOD RESULTS

You concluded that the illustration on the previous page was “close enough” to the market, and gave the underwriter permission to enter the market with those prices (yields). Here are the orders received:

<u>MATURITY</u>	<u>AMOUNTS</u>	<u>COUPON RATES</u>	<u>PRICES YIELDS</u>	<u>ORDERS</u>	<u>COMMENTS</u>
2011	945,000	1.05%	100%	850	Retail, advisory, (500 stocked by senior manager)
2012	955,000	1.30%	100%	All	A.O.N. w/'13's
2013	970,000	1.65%	100%	All	(See '12)
2014	985,000	1.85%	100%	1,900	Stocked by members
2015	1,005,000	2.25%	100%	300	Stocked by members
2016	1,030,000	2.65%	100%	2,600	Insurance company (on a “swap”)
2017	1,060,000	3.00%	100%	3,350	3,000 stocked by non-member; 350 away to retail
2018	1,095,000	3.30%	100%	1,200	1,000 to hedge fund; 200 stocked by member
2019	1,135,000	3.60%	100%	4,000	2,500 to hedge fund; 1,500 stocked by senior manager
2020	1,180,000	3.90%	100%	3,650	3,000 stocked by managers; balance to hedge fund

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“We appear to have slightly over-estimated this month’s avalanche of frenzied customers with wads of cash they couldn’t wait to spend.”

What stands out:

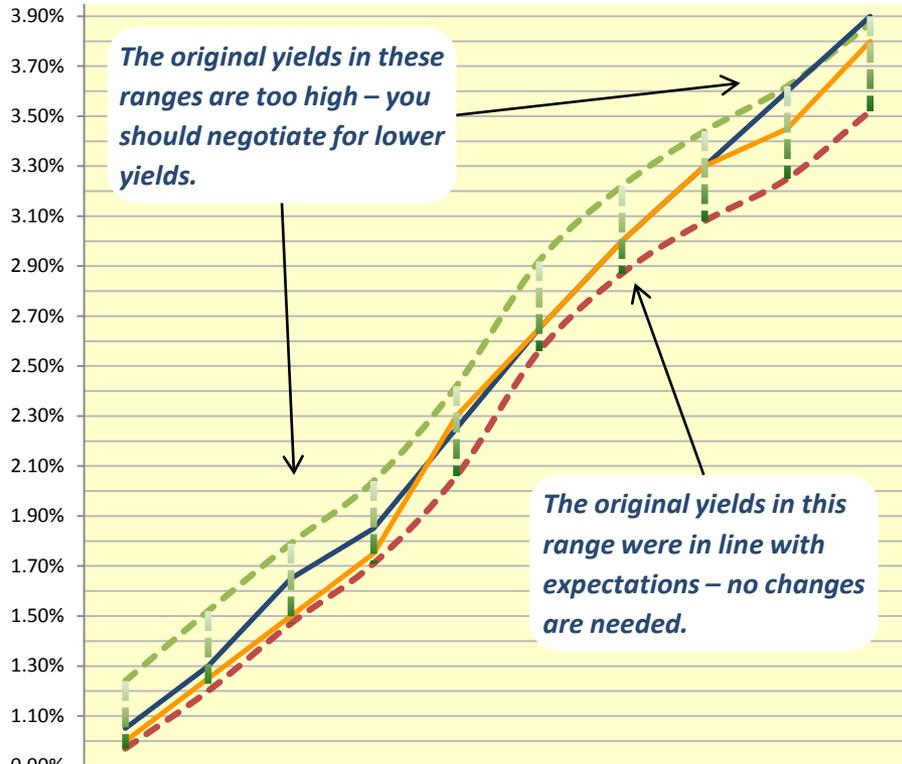
- 1. Several of the maturities are significantly “oversubscribed” (2014, 2016, 2017, 2019, 2020).**
- 2. In two of the oversubscribed maturities, there are orders from a “hedge fund.”**
- 3. The longest maturities don’t seem to have any retail orders at all.**
- 4. What does the term “stocked” mean?**



COMPARING THE DATA

--- Delphis "A" high (90) — Proposed Yields — Final Yields - - - Delphis "A" low (92)

PRICING VS. DELPHIS HANOVER YIELD CURVES



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Delphis "A" high (90)	1.24%	1.52%	1.79%	2.04%	2.42%	2.92%	3.22%	3.44%	3.62%	3.87%
Proposed Yields	1.05%	1.30%	1.65%	1.85%	2.25%	2.65%	3.00%	3.30%	3.60%	3.90%
Final Yields	1.00%	1.25%	1.50%	1.75%	2.30%	2.65%	3.00%	3.30%	3.45%	3.80%
Delphis "A" low (92)	0.97%	1.20%	1.47%	1.71%	2.06%	2.56%	2.87%	3.08%	3.25%	3.52%



"I'm razzled, but not dazzled."

Look at the red and green dashed lines in the chart to the left – they represent the boundaries of yields you expected in the pricing based on the Delphis Hanover curves. The solid blue line are the preliminary yields. The solid orange line is what you want to negotiate to – the FINAL yields. These are presented on page 30.



NEGOTIATING A FINAL PRICE



Lets be subtle about this, we want to do business with them in the future.

The red shaded areas show the original proposal. We improved on the red areas and had to give up higher yields on the maturity shaded in green.

<u>MATURITY</u>	<u>AMOUNTS</u>	<u>COUPON</u>	<u>PRICE (YIELD)</u>	<u>PRELIMINARY YIELDS</u>
2011	945,000	1.00%	100%	1.05
2012	955,000	1.25%	100%	1.30
2013	970,000	1.50%	100%	1.65
2014	985,000	1.75%	100%	1.85
2015	1,005,000	2.25%	2.30%	2.25
2016	1,030,000	2.70%	2.65%	2.65
2017	1,060,000	2.90%	3.00%	3.00
2018	1,095,000	3.30%	100%	3.30
2019	1,135,000	3.40%	3.45%	3.60
2020	1,180,000	3.75%	3.80%	3.90
<u>Interest Cost:</u>			<u>1,719,917</u>	<u>1,772,110</u>

Interest cost saved through this negotiation: \$52,000!



FOR MARKET OVERVIEW: BOND DESK GROUP

www.bonddeskgroup.com

Click on home page; there is a matrix of Treasury, CD, agency, municipal and corporate rates presented at the top.

There is a very useful yield curve for the benchmark 10-year U.S. Treasury, that displays intra-day yields.

You can also select several other useful benchmarks and historical charts using the red hyperlinks.

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About Us
BondDesk Group is a leading fixed-income technology firm. Our Alternative Trading System, run by BondDesk Trading LLC, is one of the nation's largest fixed income trading destinations. Our advanced trading and wealth management solutions provide financial advisors, individual investors, and middle market asset managers access to a competitive, transparent multi-dealer market. [More...](#)

Yield Matrix (percentage) (As of 08/02/10)

	1-2 Year	2-5 Year	5-10 Year	10 Year+
Treasury	0.35	1.25	2.06	3.70
CD	0.85	1.60	2.57	3.67
Agency	0.43	1.05	2.12	2.58
Muni	0.96	1.36	2.52	4.37
Corp	2.56	3.66	5.16	5.63

The rates above reflect median yields in transactions on the most recent trading day on the BondDesk trading platform and as reported to TRACE and MSRB. Yields are based on investors purchases only. In reported trades to TRACE/MSRB, we only consider transactions in less than 100 bonds.

Yield Curves
Intra-Day Trend 10YR 09/03/10
Prev Close (2.623)

Most Active Corp Issuers (As of 09/02/10)

Ticker	Rating	Number of Trades	Par Value Traded (MM)	Median Yield
BAC	A	442	\$87	4.28%
GE	AA	393	\$63	3.14%
C	A	242	\$51	4.00%
GS	A	234	\$55	4.76%
AIG	BB	221	\$48	5.89%
MS	A	213	\$49	4.42%
PTV	BBB	193	\$40	8.10%
JPM	A	171	\$40	3.40%
GMA	B	138	\$30	7.79%
GNW	BBB	131	\$26	6.01%

This list is based on transactions on the most recent trading day as reported to TRACE. We only consider investors purchases and transactions in less than 100 bonds.

Today's Economic Calendar
Friday
September 3
8:30 AM
US Employment Situation
10:00 AM
USISM Non-Mfg Index
[Full Calendar >>](#)

Current Offerings on BondDesk Platform (As of 09/03/10)

Asset Class	Unique Bonds	Total Offerings
Agency	2,873	6,002
CD	3,164	4,338
Corp	11,620	36,386
Muni	16,666	22,336
Treas	515	4,350
Total	34,838	73,420

Industry News
September 3, 2010

- [Treasury, Bonds, Gifts Sell Off on Jobs Report](#)
- [Pechter Bids for Value Line Funds](#)
- [The Smart Advisor: What Could a New Fiduciary Standard Mean for Advisors?](#)
- [Taking it to the Bank: A Labor Day Sale on Stocks?](#)
- [Japanese Yields Hit Two-Month High](#)
- [Breakfast With Champions: An Interview with Gibson Smith](#)
- [Pinnacle Hit With SEC Fine for Poor AML Practices](#)

Co-Marketing and BondDesk Market Data
For information regarding opportunities to utilize BondDesk Group LLC's data and analytics in your firm's marketing or research areas please contact marketing@bonddeskgroup.com



SPOT RATES – BLOOMBERG: “RATES & BONDS”

www.bloomberg.com

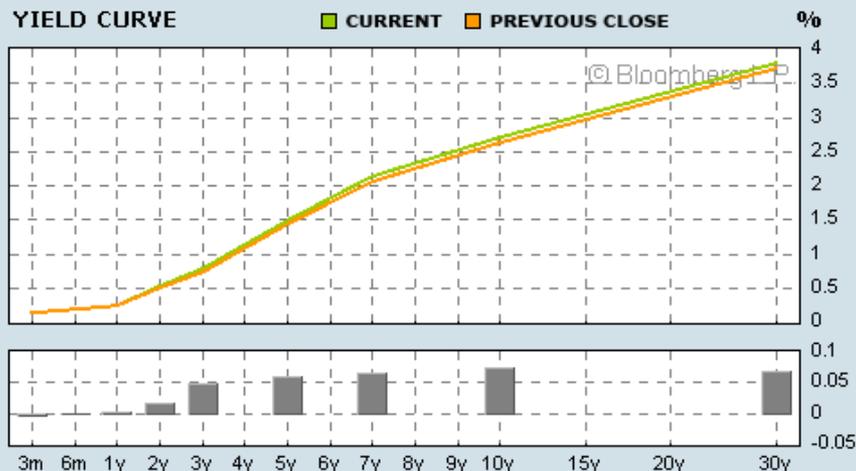
“rates and bonds” displays U. S. Treasuries, a yield curve, and national, municipal “spots” (rates for 5, 10, 20 & 30 year maturities) assuming “Aaa/AAA/AAA” ratings.

Government Bonds						
AUSTRALIA	BRAZIL	GERMANY	HONG KONG	JAPAN	UK	US
U.S. Treasuries						
	COUPON	MATURITY DATE	CURRENT PRICE/YIELD	PRICE/YIELD CHANGE	TIME	
3-MONTH	0.000	12/02/2010	0.12 / .12	-0.003 / -.003	17:00	
6-MONTH	0.000	03/03/2011	0.18 / .18	-0.001 / -.001	17:00	
12-MONTH	0.000	08/25/2011	0.22 / .23	0.002 / .002	17:00	
2-YEAR	0.375	08/31/2012	99-23+ / .51	-0-01 / .017	17:00	
3-YEAR	0.750	08/15/2013	99-28½ / .79	-0-04+ / .048	17:00	
5-YEAR	1.250	08/31/2015	98-28½ / 1.48	-0-09 / .059	17:00	
	1.875	08/31/2017	98-12½ / 2.12	-0-13½ / .066	17:04	
	2.625	08/15/2020	99-12 / 2.70	-0-20+ / .074	17:04	
	3.875	08/15/2040	101-21½ / 3.78	-1-07 / .067	17:01	

Municipal Bonds

NATIONAL MUNICIPAL BOND YIELDS:
TRIPLE-A RATED, TAX-EXEMPT GENERAL OBLIGATION BONDS

	CURRENT YIELD	PREVIOUS YIELD	CHANGE IN YIELD	28% EQ YIELD	1 WEEK PRIOR YIELD
2-YEAR	0.33%	0.33%	0.00%	0.46%	0.31%
5-YEAR	1.08%	1.06%	0.01%	1.50%	1.11%
7-YEAR	1.60%	1.59%	0.01%	2.22%	1.66%
10-YEAR	2.31%	2.31%	0.00%	3.21%	2.48%
15-YEAR	3.43%	3.43%	0.00%	4.76%	3.51%
20-YEAR	3.83%	3.83%	0.00%	5.32%	3.91%
30-YEAR	4.08%	4.08%	0.00%	5.67%	4.20%



BENCHMARKS: SIFMA

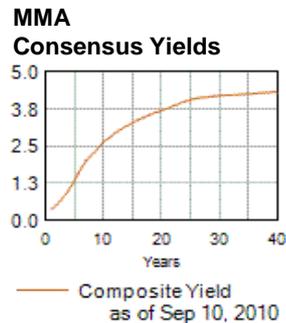
S&P COMPOSITE YIELDS, MMA CONSENSUS YIELDS, STATE-SPECIFIC

www.investinginbonds.com

Click on "Markets-at-a-Glance," then scroll down to

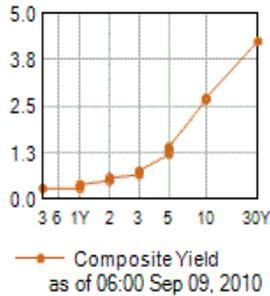
"Composite Yield Curves."

Use hyperlinks to produce data table.



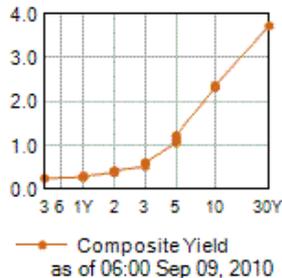
source: [Municipal Market Advisors See data](#)

S&P Composite California Yields



source: [S&P See data](#)

S&P AAA Composite Yields



source: [S&P See data](#)



Data: Standard & Poor's Composite Yield Table

Term	AAA Non-Call	AAA	AAA % Trsy	Insured	AA	A	BBB	Pre-Ref	Gov
3 month	0.24	0.24	1.69	0.30	0.25	0.74	1.65	0.22	0.14
6 month	0.26	0.26	1.39	0.33	0.27	0.78	1.93	0.26	0.19
1 year	0.27	0.27	0.66	0.37	0.30	0.82	1.95	0.29	0.87
2 year	0.39	0.39	0.99	0.56	0.43	1.13	2.22	0.41	3.83
3 year	0.58	0.58	—	0.78	0.60	1.30	2.43	0.57	—
4 year	0.81	0.81	—	1.04	0.89	1.54	2.69	0.84	—
5 year	1.16	1.16	—	1.45	1.24	1.97	3.07	1.19	—
6 year	1.45	1.45	—	1.77	1.56	2.29	3.49	1.44	—
7 year	1.74	1.74	—	2.08	1.86	2.55	3.76	1.71	—
8 year	1.97	1.97	—	2.32	2.09	2.72	3.96	1.91	—
9 year	2.19	2.19	—	2.54	2.31	2.88	4.13	2.14	—
10 year	2.36	2.36	—	2.75	2.52	3.03	4.25	2.33	—
11 year	2.51	2.51	—	2.89	2.66	3.16	4.39	2.50	—
12 year	2.59	2.62	—	3.02	2.78	3.29	4.52	2.63	—
13 year	2.68	2.73	—	3.13	2.89	3.39	4.61	2.71	—
14 year	2.77	2.82	—	3.25	2.96	3.50	4.70	2.84	—
15 year	2.87	2.90	—	3.34	3.05	3.60	4.75	2.94	—
16 year	2.97	2.99	—	3.44	3.15	3.70	4.82	3.03	—
17 year	3.08	3.08	—	3.54	3.24	3.78	4.85	3.15	—
18 year	3.18	3.17	—	3.63	3.33	3.87	4.88	3.22	—
19 year	3.27	3.26	—	3.73	3.41	3.94	4.94	3.29	—
20 year	3.35	3.34	—	3.82	3.50	4.02	4.98	3.40	—
21 year	3.45	3.44	—	3.91	3.60	4.10	5.00	3.49	—
22 year	3.54	3.52	—	3.99	3.69	4.15	5.04	3.59	—
23 year	3.59	3.58	—	4.03	3.77	4.22	5.06	3.66	—
24 year	3.64	3.62	—	4.06	3.81	4.25	5.10	3.70	—
25 year	3.70	3.65	—	4.09	3.83	4.27	5.13	3.73	—
26 year	3.75	3.67	—	4.12	3.84	4.29	5.15	3.75	—
27 year	3.75	3.69	—	4.13	3.85	4.30	5.15	3.76	—
28 year	3.78	3.70	—	4.14	3.86	4.32	5.17	3.79	—
29 year	3.79	3.71	—	4.15	3.86	4.33	5.18	3.80	—
30 year	3.79	3.73	—	4.16	3.87	4.35	5.19	3.82	—

* as of 06:00 Sep 09, 2010
source: S&P

How to read this chart

What is it?

The Standard & Poor's (S&P) Composite Yield Table shows the yield composites of municipal bonds of various maturities from three months to 30 years, in some cases in comparison to U.S. Treasury securities with the corresponding maturity. The composite is based on bonds of that maturity held by a mutual fund that Standard and Poor's prices daily. Composites represent municipal bonds that are callable and noncallable AAA-rated, Insured (INS), AA-rated, A, BBB and prerefunded issues; and bonds issued by New York State, California, Texas, Pennsylvania, Florida and Massachusetts issuers.

Why do I care?

Rates of return on municipal bonds vary by maturity, credit rating and other factors. This table shows indicative rates of return for categories of municipal bonds based on current market conditions. Rates of return on individual bonds may vary.

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GO TO: [Range of Municipal Yield Curve Scales](#)

Friday, September 03, 2010

Prices and yields for on-the-run Treasuries, or the most recently issued U.S. Treasury securities, for various maturities. Data as of 3 p.m. ET.

Maturity	Coupon	Current price	Previous price	Change	Yield
09/30/10	...	99.99	99.99	unch.	0.142
12/02/10	...	99.97	99.96	unch.	0.132
03/03/11	...	99.91	99.90	0.01	0.183
08/25/11	...	99.77	99.77	unch.	0.234
08/31/12	0.375	99.72	99.75	-0.03	0.517
08/15/13	0.750	99.88	100.00	-0.13	0.793
08/31/15	1.250	98.88	99.16	-0.28	1.485
08/31/17	1.875	98.38	98.81	-0.44	2.126
08/15/20	2.625	99.34	99.94	-0.59	2.701
08/15/40	3.875	101.69	102.66	-0.97	3.780

Source: Ryan ALM

RANGE OF MUNICIPAL YIELD CURVE SCALES

GO TO: [Treasury Issues](#)

Friday, September 03, 2010

Municipal bond yield curve for the full range of credit quality, from Triple-A-rated through non-rated tax-exempt issues. Yields on a 360-day basis. Data as of 4 p.m. ET.

Index	100 Aaa	98	96 Aa	94	92 A	90	88 Baa	86
2011	0.33	0.40	0.50	0.67	0.97	1.24	1.59	1.87
2012	0.50	0.57	0.70	0.89	1.20	1.52	1.86	2.14
2013	0.74	0.81	0.98	1.17	1.47	1.79	2.16	2.44
2014	0.98	1.06	1.25	1.41	1.71	2.04	2.41	2.69
2015	1.32	1.40	1.56	1.78	2.06	2.42	2.78	3.06
2016	1.69	1.78	1.96	2.22	2.56	2.92	3.28	3.56
2017	1.97	2.06	2.23	2.49	2.87	3.22	3.59	3.86
2018	2.19	2.28	2.45	2.71	3.08	3.44	3.81	4.08
2019	2.39	2.48	2.66	2.91	3.25	3.62	3.99	4.26
2020	2.63	2.72	2.92	3.19	3.52	3.87	4.25	4.52
2021	2.73	2.81	3.04	3.40	3.75	4.13	4.56	4.84
2022	2.87	2.95	3.18	3.53	3.89	4.27	4.70	4.98
2023	3.01	3.09	3.31	3.65	4.02	4.40	4.82	5.08
2024	3.13	3.21	3.42	3.74	4.10	4.48	4.90	5.16
2025	3.25	3.33	3.53	3.82	4.15	4.53	4.96	5.22
2026	3.37	3.45	3.67	3.95	4.29	4.64	5.05	5.31
2027	3.45	3.54	3.75	4.04	4.36	4.72	5.12	5.38
2028	3.54	3.63	3.84	4.13	4.44	4.80	5.21	5.47
2029	3.61	3.70	3.91	4.18	4.50	4.86	5.28	5.54
2030	3.68	3.76	3.97	4.24	4.55	4.91	5.32	5.58
2031	3.76	3.82	4.01	4.31	4.59	4.94	5.37	5.62
2032	3.85	3.91	4.09	4.35	4.62	4.95	5.38	5.63
2033	3.92	3.98	4.18	4.44	4.71	5.04	5.47	5.73
2034	4.00	4.06	4.27	4.53	4.81	5.15	5.56	5.82
2035	4.04	4.11	4.31	4.56	4.84	5.17	5.58	5.84
2040	4.19	4.26	4.46	4.73	5.05	5.36	5.76	6.01
2045	4.24	4.32	4.52	4.79	5.09	5.41	5.80	6.05
2050	4.29	4.37	4.56	4.83	5.13	5.45	5.83	6.11

High-grades weakened by .02 overall. Secondary market activity was light.

Source: Delphis Hanover

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